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**Financing of the United Nations Preventive Deployment Force**

# Financing of the United Nations Preventive Deployment Force

## Report of the Secretary-General

*Summary*

The present report contains the financial performance report of the United Nations Preventive Deployment Force (UNPREDEP) for the period from 1 July 1998 to 30 June 1999. Following the termination of the Force's mandate on 28 February 1999, the General Assembly, by its resolution 53/20 B of 8 June 1999, reduced the appropriation of $50,053,745 gross ($48,751,045 net) provided for the same period by its resolutions 52/245 of 26 June 1998 and 53/20 A of 2 November 1998 to the amount of $43,062,700 gross ($42,004,600 net).

Expenditures for the period totalled $41,901,000 gross ($40,900,300 net), resulting in an unencumbered balance of $1,161,700 gross ($1,104,300 net). The unencumbered balance resulted mainly from lower costs of troops rotation and rapid liquidation of the mission during the period from March to June 1999. However, an amount of $904,000 which was not obligated for troop rotation is still required. This amount, therefore, needs to be retained.

The actions to be taken by the General Assembly in connection with the financing of the mission are set out in paragraph 11 of the present report.

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# I. Introduction

1. The United Nations presence in the former Yugoslav Republic of Macedonia was authorized by the Security Council in its resolution 795 (1992) of 11 December 1992. By its resolution 983 (1995) of 31 March 1995, the Council decided that the United Nations Protection Force within the former Yugoslav Republic of Macedonia should be known as the United Nations Preventive Deployment Force (UNPREDEP).

2. By its resolution 1142 (1997) of 4 December 1997, the Security Council extended the mandate of UNPREDEP for a final period until 31 August 1998, with the withdrawal of the military component immediately thereafter. By its resolution 52/245 of 26 June 1998, the General Assembly appropriated the amount of $21,053,745 gross ($20,580,245 net) for the maintenance of UNPREDEP for the period from 1 July 1998 to 30 June 1999, including the amount of $1,053,745 for the support account for peacekeeping operations.

3. In view of the situation in the region, the Security Council, by its resolution 1186 (1998) of 21 July 1998, extended the mandate of UNPREDEP until 28 February 1999 and authorized an increase in the troop strength of the Force up to 1,050. The General Assembly, in its resolution 53/20 A of 2 November 1998, appropriated an additional amount of $29 million gross ($28,170,800 net) for the maintenance of the Force for the period from 1 July 1998 to 30 June 1999. The total amount appropriated by the General Assembly for the maintenance of UNPREDEP for the period from 1 July 1998 to 30 June 1999 therefore came to $50,053,745 gross ($48,751,045 net).

4. In paragraph 34 of his report of 12 February 1999 to the Security Council (S/1999/161), the Secretary-General requested the extension of the mandate of UNPREDEP for a further period of six months, from 1 March until 31 August 1999. The mandate of the Force, however, was not extended.

5. Following the termination of the Force's mandate on 28 February 1999, the Secretary-General, in his report of 5 May 1999 on the financing of UNPREDEP (A/53/437/Add.1), provided the revised budget for the maintenance of UNPREDEP for the period from 1 July 1998 to 30 June 1999, including the liquidation of the Force during the period from 1 March to 30 June 1999. Total revised requirements amounted to $43,062,700 gross ($42,004,600 net), which were $6,991,045 gross ($6,746,445 net) less than the approved appropriation. The General Assembly, in its resolution 53/20 B of 8 June 1999, reduced the appropriation provided in its resolutions 52/245 and 53/20 A from the amount of $50,053,745 gross ($48,751,045 net) to the amount of $43,062,700 gross ($42,004,600 net), inclusive of the amount of $1,053,745 for the support account for peacekeeping operations.

# II. Implementation of the budget

6. Information on the operations of UNPREDEP and on the situation on the ground during the reporting period under review is contained in the reports of the Secretary-General to the Security Council dated 14 July 1998 (S/1998/644) and 12 February 1999 (S/1999/161).

7. Following the extension of the Force's mandate until 28 February 1999 and an increase in the troop strength from 750 to 1,050, as authorized by the Security Council in its resolution 1186 (1998), the main task of the Force during the period from July 1998 to January 1999 was to facilitate the transition from the pre-liquidation phase to the

mission's expansion. Non-extension of the Force's mandate beyond 28 February 1999, however, changed operational plans and requirements from expansion to liquidation of the Force during the period from March to June 1999. These included the withdrawal of the Force's personnel and assets from the mission area as well as other liquidation tasks, as outlined in the addendum to the report of the Secretary-General on the financing of UNPREDEP, dated 5 May 1999 (A/53/437/Add.1).

8. The budget provided for reimbursement of rotation costs to a Government for prior periods. Funds for that purpose were not obligated but resources are still required to settle the outstanding claims.

## III. Financial performance report for the period from 1 July 1998 to 30 June 1999

9. As indicated in table 1 below, from the appropriation of $43,062,700 gross ($42,004,600 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $41,901,000 gross ($40,900,300 net), inclusive of $21,162,900 in unliquidated obligations. The resulting unspent balance of $1,161,700 gross ($1,104,300 net) represents, in gross terms, some 2.7 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 1
**Apportionment and expenditure**
*(Thousands of United States dollars)*

| *Category of expenditure* | *Apportionment* | *Expenditure*[a] | *Variance* |
|---|---|---|---|
| Military personnel | 25 506.8 | 24 572.1 | 934.7 |
| Civilian personnel | 7 872.0 | 7 443.6 | 428.4 |
| Operational requirements | 7 341.9 | 7 606.6 | (264.7) |
| Other programmes[b] | 61.4 | 55.5 | 5.9 |
| United Nations Logistics Base at Brindisi[c] | 168.8 | 168.8 | - |
| Support account for peacekeeping operations | 1 053.7 | 1 053.7 | - |
| Staff assessment | 1 058.1 | 1 000.7 | 57.4 |
| **Gross requirements** | **43 062.7** | **41 901.0** | **1 161.7** |
| Income from staff assessment | (1 058.1) | (1 000.7) | (57.4) |
| **Net requirements** | **42 004.6** | **40 900.3** | **1 104.3** |
| Voluntary contributions in kind (budgeted)[d] | - | 102.1 | [e] |
| Voluntary contributions in kind (non-budgeted) | - | - | - |
| **Total resources** | **43 062.7** | **42 003.1** | [e] |

[a] Includes an amount of $21,162,900 in unliquidated obligations.

[b] Excludes personnel.

[c] Included in apportionment since the amount was reflected in the revised cost estimates contained in documents A/53/437 and Add.1.

[d] Relates to infrastructure repairs. See annex II, paragraph 6.

[e] Not applicable.

10. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annex III.

Table 2
**Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999**

| *Personnel category* | *Authorized strength*[a] | *Actual strength (average)* | *Vacancy rate (percentage)* |
|---|---|---|---|
| Military observers | 35 | 35 | - |
| Military contingents | 1 050 | 762 | 20 |
| Civilian police | 26 | 23 | 1 |
| International staff | 68 | 54 | 12 |
| National officers | - | - | - |
| Local staff | 135 | 90 | 18 |
| United Nations Volunteers | - | - | - |

[a] Reflects highest level of authorized strength.

# IV. Actions to be taken by the General Assembly at its fifty-fourth session

11. **The actions to be taken by the General Assembly in connection with the financing of UNPREDEP are:**

(a) **A decision to retain the amount of $904,000 from the unencumbered balance to cover the costs of outstanding claims from a Government for the rotation of its troops during the period from May 1996 to June 1998;**

(b) **A decision on the treatment of the remaining unencumbered balance of $257,700 gross ($200,300 net) for the period from 1 July 1998 to 30 June 1999.**

# Annex I

## Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

*(Thousands of United States dollars)*

| | *Category of expenditure* | *(1)* *Apportionment[a]* | *(2)* *Non-recurrent expenditures* | *(3)* *Total expenditures (inclusive of non-recurrent expenditures)* | *(4) = (1-3)* *Variance* |
|---|---|---|---|---|---|
| **I.** | **Military personnel** | | | | |
| | 1. Military observers | 895.6 | - | 864.9 | 30.7 |
| | 2. Military contingents | 11 639.1 | - | 10 735.1 | 904.0 |
| | 3. Other requirements pertaining to military personnel | | | | |
| | (a) Contingent-owned equipment | 6 080.7 | - | 6 080.7 | - |
| | (b) Self-sustainment | 6 483.7 | - | 6 483.7 | - |
| | (c) Death and disability compensation | 407.7 | - | 407.7 | - |
| | **Subtotal, line 3** | **12 972.1** | **-** | **12 972.1** | **-** |
| | **Total, category I** | **25 506.8** | **-** | **24 572.1** | **934.7** |
| **II.** | **Civilian personnel** | | | | |
| | 1. Civilian police | 616.7 | - | 620.9 | (4.2) |
| | 2. International and local staff | 7 255.3 | - | 6 822.7 | 432.6 |
| | 3. United Nations Volunteers | - | - | - | - |
| | 4. Government-provided personnel | - | - | - | - |
| | 5. Civilian electoral observers | - | - | - | - |
| | **Total, category II** | **7 872.0** | **-** | **7 443.6** | **428.4** |
| **III.** | **Operational requirements** | | | | |
| | 1. Premises/accommodation | 1 140.8 | 1.1 | 789.4 | 351.4 |
| | 2. Infrastructure repairs | 127.6 | 25.5 | 25.5 | 102.1 |
| | 3. Transport operations | 1 113.7 | 114.3 | 888.6 | 225.1 |
| | 4. Air operations | 1 349.5 | - | 1 204.8 | 144.7 |
| | 5. Naval operations | - | - | - | - |
| | 6. Communications | 266.8 | 127.5 | 351.9 | (85.1) |
| | 7. Other equipment | 325.7 | 337.0 | 373.5 | (47.8) |
| | 8. Supplies and services | 971.0 | 890.1 | 1 705.1 | (734.1) |
| | 9. Air and surface freight | | | | |
| | (a) Transport of contingent-owned equipment | 1 460.0 | - | 1 861.5 | (401.5) |
| | (b) Commercial freight and cartage | 586.8 | - | 406.3 | 180.5 |
| | **Subtotal, line 9** | **2 046.8** | **-** | **2 267.8** | **(221.0)** |
| | **Total, category III** | **7 341.9** | **1 495.5** | **7 606.6** | **(264.7)** |

| | *Category of expenditure* | *(1)* *Apportionment*[a] | *(2)* *Non-recurrent expenditures* | *(3)* *Total expenditures (inclusive of non-recurrent expenditures)* | *(4) = (1-3)* *Variance* |
|---|---|---|---|---|---|
| **IV.** | **Other programmes** | | | | |
| | 1. Election-related supplies and services | - | - | - | - |
| | 2. Public information programmes | 46.9 | - | 42.1 | 4.8 |
| | 3. Training programmes | 14.5 | - | 13.4 | 1.1 |
| | 4. Mine-clearing programmes | - | - | - | - |
| | 5. Assistance for disarmament and demobilization | - | - | - | - |
| | **Total, category IV** | **61.4** | **-** | **55.5** | **5.9** |
| **V.** | **United Nations Logistics Base at Brindisi** | **168.8** | **-** | **168.8** | **-** |
| **VI.** | **Support account for peacekeeping operations** | **1 053.7** | **-** | **1 053.7** | **-** |
| **VII.** | **Staff assessment** | **1 058.1** | **-** | **1 000.7** | **57.4** |
| | Gross requirements, categories I-VII | 43 062.7 | 1 495.5 | 41 901.0 | 1 161.7 |
| **VIII.** | **Income from staff assessment** | **(1 058.1)** | **-** | **(1 000.7)** | **(57.4)** |
| | Net requirements, categories I-VIII | 42 004.6 | 1 495.5 | 40 900.3 | 1 104.3 |
| **IX.** | **Voluntary contributions in kind (budgeted)**[b] | - | - | **102.1** | [c] |
| **X.** | **Voluntary contributions in kind (non-budgeted)** | - | - | - | - |
| | **Total** | **43 062.7** | **1 495.5** | **42 003.1** | [c] |

[a] Based on appropriation provided by the General Assembly in resolution 53/20 B of 8 June 1999.

[b] Relates to infrastructure repairs. See annex II, paragraph 6.

[c] Not applicable.

# Annex II

## Supplementary information on significant variances

### Military personnel

*Apportionment: $25,506,800; expenditure: $24,572,100; variance: $934,700*

1. The unutilized balance of $934,700 under this heading related to military observers ($30,700) and military contingents ($904,000). Savings were realized as no funds were obligated for reimbursement to a Government for the rotation of its troops during the prior periods. There is a need, however, to retain the amount of $904,000 in order to settle outstanding claims.

### Civilian personnel

*Apportionment: $7,872,000; expenditure: $7,443,600; variance: $428,400*

2. The unutilized balance of $428,400 under this heading resulted from reduced requirements for international and local staff ($432,600), offset by additional requirements for civilian police ($4,200).

### International and local staff

*Apportionment: $7,255,300; expenditure: $6,822,700; variance: $432,600*

3. The unutilized balance of $432,600 under international and local staff resulted from a higher than anticipated average vacancy rate for international and local staff. Also, during the reporting period, the mission reduced the number of international General Service posts by eight and correspondingly increased the number of local posts.

### Operational requirements

*Apportionment: $7,341,900; expenditure: $7,606,600; variance: ($264,700)*

4. The over-expenditure of $264,700 under operational costs resulted from additional requirements totalling $1,088,000 under communications ($85,100), other equipment ($47,800), supplies and services ($734,100) and air and surface freight ($221,000), which were partially offset by savings totalling $823,300 under premises/accommodation ($351,400), infrastructure repair ($102,100), transport operations ($225,100) and air operations ($144,700).

#### Premises/accommodation

*Apportionment: $1,140,800; expenditure: $789,400; variance: $351,400*

5. The unutilized balance of $351,400 under this heading resulted primarily from the lower costs of utilities and maintenance supplies due to the rapid closing of camps and observation posts. Additionally, savings of $70,900 were realized under alteration and renovation of premises due to the urgent need for camps and other facilities to accommodate international organizations following events in Kosovo.

**Infrastructure repairs**

*Apportionment: $127,600; expenditure: $25,500; variance: $102,100*

6. The unencumbered balance under this heading resulted from the utilization of gravel provided by the host Government for the upgrading of roads to camps and observation posts.

**Transport operations**

*Apportionment: $1,113,700; expenditure: $888,600; variance: $225,100*

7. The unencumbered balance under this heading resulted from savings related primarily to spare parts, repairs and maintenance of vehicles. Disposition of the United Nations-owned vehicles was carried out quicker than anticipated, resulting in lower operating costs. In addition, spare parts were received from stock formerly belonging to the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES).

**Air operations**

*Apportionment: $1,349,500; expenditure: $1,204,800; variance: $144,700*

8. The unutilized balance of $144,700 under air operations resulted from non-utilization of extra flying hours because of bad weather conditions during winter months and lower aviation fuel costs owing to payments in local currency starting December 1998.

**Communications**

*Apportionment: $266,800; expenditure: $351,900; variance: ($85,100)*

9. The additional requirement of $114,200 under communications spare parts was needed to cover the costs of refurbishment of the mission's communications equipment prior to its disposal. Further additional needs of $29,400 were realized for the implementation of a preventive maintenance programme. Following the events in Kosovo, additional equipment worth $2,000 was purchased to ensure safety of personnel. These additional costs were partially offset by savings of $60,500 under commercial communications, which resulted from lower requirements due to liquidation of the Force and strict control over telephone use.

**Other equipment**

*Apportionment: $325,700; expenditure: $373,500; variance: ($47,800)*

10. The additional requirement of $47,800 under other equipment was needed to cover the costs of refurbishment of equipment at the United Nations Logistics Base at Brindisi (UNLB).

**Supplies and services**

*Apportionment: $971,000; expenditure: $1,705,100; variance: ($734,100)*

11. Additional requirements of $734,100 under this heading related primarily to expenditures incurred under contractual services for the refurbishment of equipment at UNLB.

**Air and surface freight**

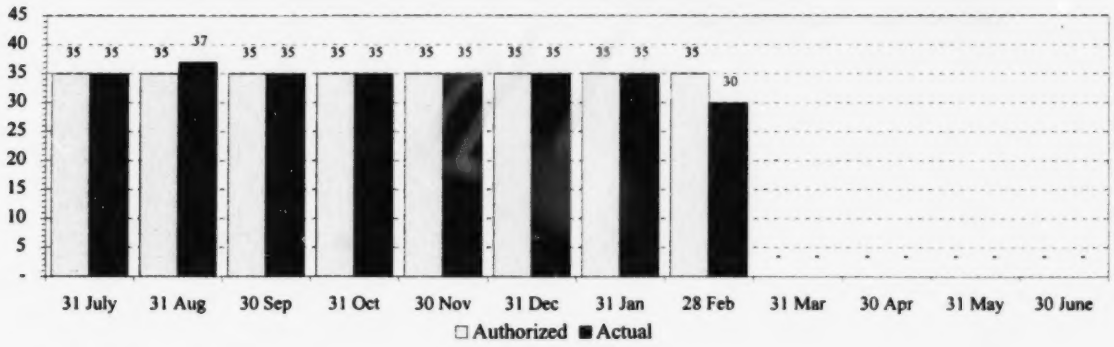
*Apportionment: $2,046,800; expenditure: $2,267,800; variance: ($221,000)*

12. Additional requirements of $401,500 for the transportation of contingent-owned equipment were due to higher repatriation costs than estimated. This increase was partially offset by savings of $180,500 under commercial freight and cartage, in view of the situation in Kosovo, whereby there was an urgent need to dispose of some of the United Nations-owned equipment locally.

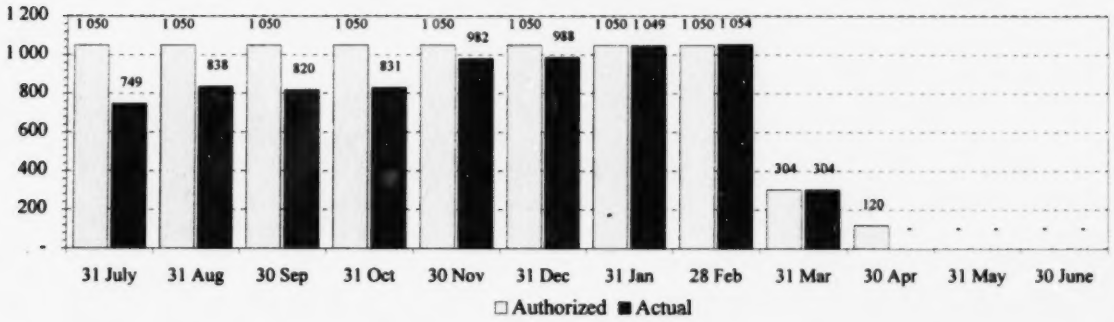
# Annex III

## Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

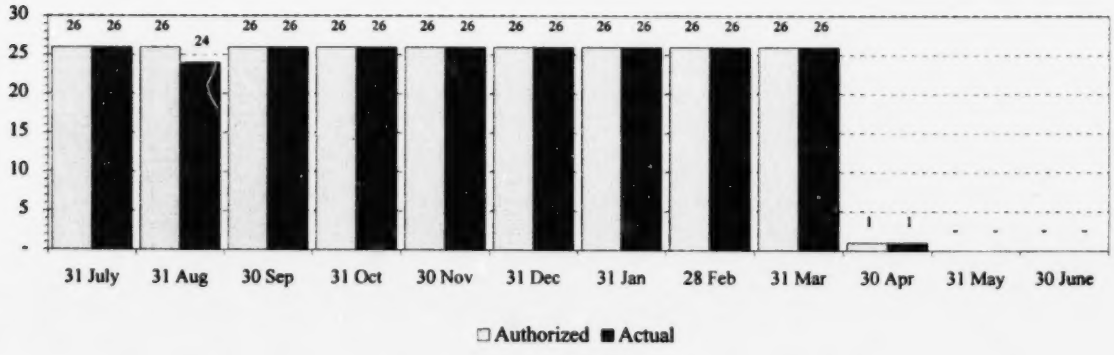
### 1. Military observers



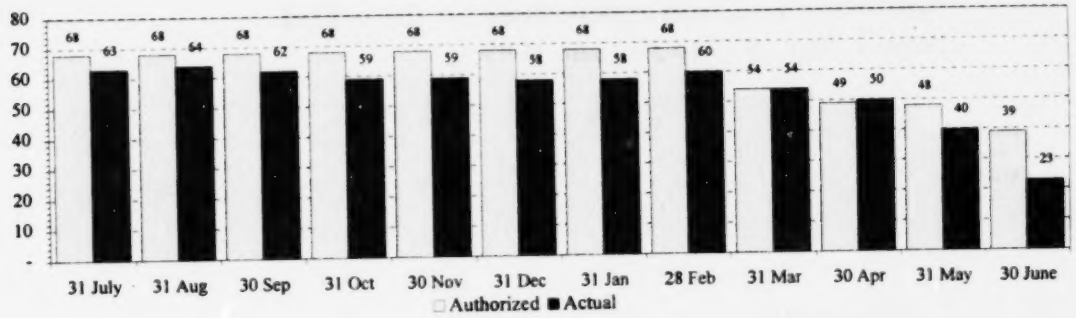

### 2. Military contingents



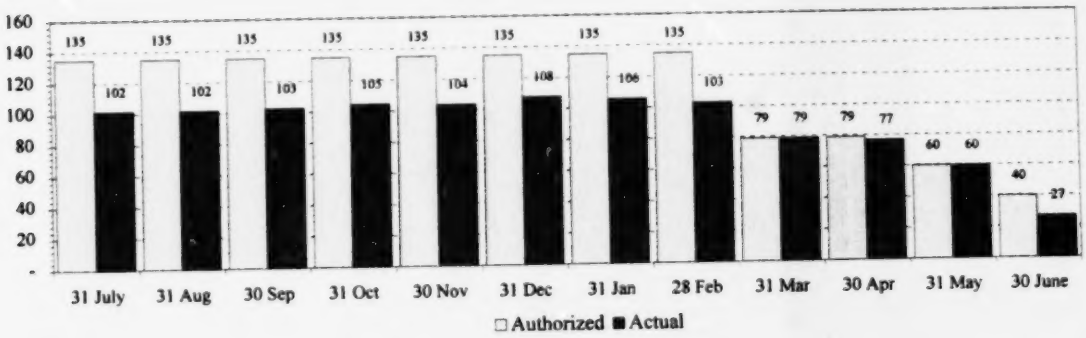

### 3. Civilian police



**4. International staff**




**5. Local staff**



# Annex IV

## Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999